

***** T O P S E C R E T *****S COPY

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OF WTE #0125 0121424
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FM THE SITUATION ROOM TOHA 23

TO LARRY EAGLEBURGER FOR SECRETARY KISSINGER ABOARD 86970

T O P S E C R E T SENSITIVE WH40079 TOHAK23

CONTAINS CODEWORD

JANUARY 12, 1974

MEMORANDUM FOR THE SECRETARY
FROM: THE SITUATION ROOM
SUBJECT: EVENING NOTES

SITUATION IN INDOCHINA: CAMBODIAN GOVERNMENT OPERATIONS NORTH-
WEST OF PHNOM PENH'S POCHENTONG AIRPORT STALLED YESTERDAY IN THE
FACE OF HEAVY COMMUNIST RESISTANCE. THERE WAS ALSO NO PROGRESS
IN CLEARING A SECONDARY ROAD WEST OF ROUTE 5, AND SKIRMISHING
IN THE AREA CONTINUED. SOUTH OF PHNOM PENH, TAKED WAS THE TAR-
GET OF MORE COMMUNIST GROUND AND MORTAR ATTACKS. A MEKONG RIVER
CONVOY CARRYING RICE AND POL SUPPLIES ENCOUNTERED ONLY MINOR
HARASSING FIRE WHILE EN ROUTE TO PHNOM PENH. A 100-TRUCK CONVOY
FROM KOMPONG SOM ALSO REACHED THE CAPITAL SAFELY.
MILITARY ACTIVITY REMAINED LIGHT THROUGHOUT SOUTH VIETNAM. COM-
MUNIST ATTACKS IN THE DELTA PROVINCE HAVE RETURNED TO THE RELA-
TIVELY LOW LEVEL THAT EXISTED PRIOR TO THE LATE DECEMBER HIGHPOINT.
HANDI PROTESTS F-5ES FOR SOUTH VIETNAM: THE HANDI PARTY DAILY
LOST LITTLE TIME IN PROTESTING THE PROJECTED DELIVERIES OF F-5E
AIRCRAFT TO SOUTH VIETNAM, AS REVEALED IN A RECENT NEW YORK TIMES
STORY BY LESLIE GELB. ON JANUARY 10, NHAN DAN PREDICTABLY CHARGED
THAT THE DELIVERY OF THE AIRCRAFT WOULD VIOLATE THE PARIS AGREE-
MENT, AS THE TWO-PARTY JOINT MILITARY COMMISSION HAS NOT YET
AGREED ON THE MODALITIES FOR THE REPLACEMENT OF ANY WEAPONS.

(STEARMAN/ADAMS)

KHMER NEGOTIATING DEVELOPMENTS: A SENIOR OFFICIAL OF SIHANOUK'S
GRUNK RECENTLY TOLD [REDACTED] THAT
THE COMMUNISTS WOULD ATTEMPT AN ALL-OUT EFFORT TO CAPTURE PHNOM
PENH DURING THE CURRENT DRY SEASON AND THAT THEIR POLICY OF RE-
FUSING ALL CONTACT WITH THE GKR REMAINS UNCHANGED. THE OFFICIAL
ALSO CLAIMED THAT EFFORTS BY THE GKR TO INITIATE MEETINGS IN
CAMBODIA AND ELSEWHERE ARE A SIGN OF GKR WEAKNESS AND REPRESENT
A "POLITICAL VICTORY" FOR THE COMMUNISTS.

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A TASS CORRESPONDENT TOLD GDR PRIME MINISTER LONG BOLET ON JANUARY 5 THAT THE NORTH VIETNAMESE ARE STRIVING FOR A POLITICAL SETTLEMENT IN CAMBODIA, BUT THAT KHMER COMMUNIST LEADERS ARE DIVIDED AMONG THOSE FAVORING PEACE VERSUS CONTINUING THE WAR. WE (STEARMAN/ADAMS) HAVE SEEN LITTLE EVIDENCE TO SUPPORT THE REPORTED VIEWS OF THE TASS CORRESPONDENT.

RESTORED MOMENTUM IN SINO-JAPANESE RELATIONS: JAPANESE FOREIGN MINISTER OHIRA'S VISIT TO PEKING LAST WEEK SEEMS TO HAVE RESTORED SOME OF THE MOMENTUM LOST IN THE YEAR SINCE PRIME MINISTER TANAKA VISITED THE PRC IN SEPTEMBER 1972 AND DIPLOMATIC RELATIONS WERE ESTABLISHED. THE PRC'S INTEREST WAS INDICATED PARTICULARLY BY MAO'S RECEIVING OHIRA -- THE ONLY OTHER FOREIGN MINISTERS SO HONORED HAVE BEEN YOU AND FOREIGN MINISTER SCHUMANN. IN ADDITION, BOTH GOVERNMENTS SIGNED A TRADE AGREEMENT (WHICH REPLACES A COMPLEX OF UNOFFICIAL TRADING ARRANGEMENTS), AGREED TO INCREASE THE NUMBER OF RESIDENT JOURNALISTS EXCHANGED, AND TO HOLD FREQUENT MINISTERIAL TALKS: SOME PROGRESS WAS MADE TOWARD AN EARLY CONCLUSION OF SHIPPING AND FISHERIES AGREEMENTS. AS REGARDS THE MAJOR BLOCK TO MORE RAPID NORMALIZATION OF RELATIONS -- THE LONG-STANDING IMPASSE OVER A CIVIL AVIATION AGREEMENT CAUSED BY JAPAN'S DESIRE TO MAINTAIN COMMERCIAL AIR LINKS WITH TAIWAN -- OHIRA RETURNED HOME APPARENTLY DETERMINED TO FIND A FORMULA ACCEPTABLE TO PEKING FOR CONTINUING THIS JAPANESE TIE TO TAIPEI (WHICH CONSERVATIVE ELEMENTS IN TANAKA'S LIBERAL DEMOCRATIC PARTY INSIST ON). BOTH SIDES MAY AIM TO RESOLVE THIS PROBLEM BY THE TIME PRC FOREIGN MINISTER CHI PENG-FEI PAYS A RETURN VISIT TO TOKYO LATER THIS YEAR. (PROMER)

EAST GERMANY WELCOMES U.S. RELATIONS: GERHARD BEIL, THE VOCAL EAST GERMAN DEPUTY MINISTER FOR FOREIGN TRADE, HAS STATED PUBLICLY THAT THE GDR IS READY TO WELCOME AMERICAN PARTICIPATION IN COOPERATIVE VENTURES BOTH AT HOME AND IN THIRD COUNTRIES AND IS EAGER TO IMPROVE ITS TRADE RELATIONS WITH THE U.S. THE POSSIBILITY OF JOINT VENTURES REPRESENTS AN EXTENSION OF THE GDR POSITION ON NORMALIZATION OF TRADE BETWEEN THE TWO COUNTRIES PRESENTED BY BEIL DURING HIS VISIT TO THE U.S. IN NOVEMBER 1972. AT THAT TIME, HE CALLED FOR THE ESTABLISHMENT OF DIPLOMATIC RELATIONS ALONG WITH THE REDUCTION OF U.S. TARIFFS AND OTHER TRADE BARRIERS -- OBSTACLES WHICH STILL EXIST.

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DESPITE BEIL'S RECENT EFFORTS, THE U.S. SHARE OF GDR TRADE WITH THE WEST -- LESS THAN THREE PERCENT -- IS UNLIKELY TO INCREASE SUBSTANTIALLY IN THE NEAR FUTURE. IN RECENT YEARS, THE GDR HAS NEGOTIATED WITH SEVERAL MAJOR U.S. FIRMS, BUT NO SIZABLE CONTRACTS

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HAVE RESULTED. MOREOVER, EAST GERMANY HAS NOT SHOWN MUCH INTEREST UP TO THIS TIME IN JOINT VENTURES, EVEN WITH ITS MORE IMPORTANT WEST EUROPEAN TRADING PARTNERS.

BAHAMAS POLICE SEIZE CUBAN FISHING BOATS: AND NASSAU HAS ANNOUNCED THAT THREE CUBAN FISHING BOATS POACHING IN BAHAMIAN WATERS WERE SEIZED BY A POLICE PATROL. TWELVE CUBANS REPORTEDLY ARE IN CUSTODY AND ARE BEING TAKEN TO NASSAU TO FACE CHARGE.

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